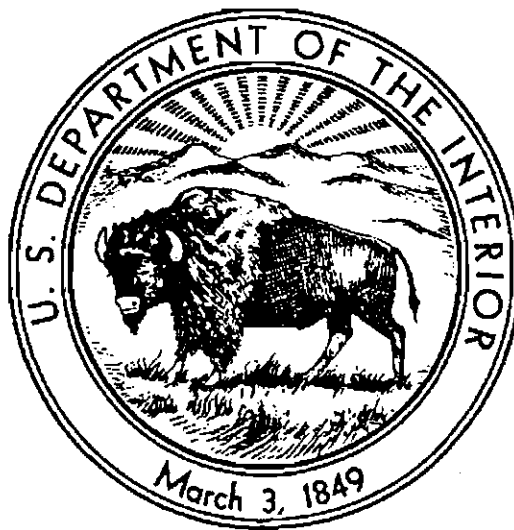


DEPARTMENT OF THE INTERIOR  
PROPERTY MANAGEMENT REVIEW GUIDELINE



OFFICE OF ACQUISITION AND PROPERTY MANAGEMENT  
OCTOBER 1990

## Forward

This document provides guidance on conducting a Property Management Review (PMR) and it will serve as direction for both the reviewer and the area being reviewed. The objective of a Property Management Review (PMR) is to determine if there is a viable and responsible property management program, consistent with existing statutory requirements and regulations. PMR's are considered Alternative Management Control Reviews (AMCR's) as required by the Federal Managers' Financial Integrity Act of 1982. AMCRs are reviews of controls over areas or activities of a component which have the highest potential for ineffective or inefficient operation or loss of government resources.

Procedures for organizing and documenting a property management review are critical. Organize and assign responsibilities in a manner that ensures that the evaluation, improvement, and reporting on an alternative management control review is conducted in an efficient and effective manner. This includes providing for quality control over the entire process.

Establishing strong Control Objectives ensures that the mission of the personal property management program is accomplished efficiently and effectively. Control Techniques are the management processes and documents necessary to accomplish control objectives or to reduce risks to acceptable levels.

Program areas not specifically addressed in the Property Management Review Guide (PMRG) should be reviewed at the discretion of the reviewer. Some programs being reviewed may not encompass all of the subject areas covered herein and the PMRG may not address an area unique to various bureaus or offices. To the extent to which a program or function is operated in a centralized or decentralized manner is another factor to consider, therefore, the guideline should be tailored to your needs.

It is the intent of the Office of Acquisition and Property Management to expand this guideline as necessary, especially in the area of Artwork/Artifacts and Museum items. Property accountability for these items should be evaluated solely by the questions in Activity 13. Guidance in this area is being developed and will be incorporated in the guideline at a later date.

For further guidance you should also obtain a copy of the Guideline for Conducting Control Evaluations, written by the Office of Financial Management, September 1987.

## I. Responsibility

- A. The Assistant Secretary - Policy, Management and Budget. The Assistant Secretary - Policy, Management and Budget has the primary responsibility for managing Departmental compliance with the requirements of the OMB Circular A-123.
- B. Director, Office of Acquisition and Property Management. The Office of Acquisition and Property Management (PAM) has a number of OMB Circular A-123 responsibilities arising from its Departmentwide oversight of the administrative and management functions related to personal property. (See 410 DM 114-60.103 (c)).

Upon bureau request, and at the discretion of the Director, PAM, one or more members of the PAM staff may be assigned to participate in bureau-conducted PMRs.

- C. Bureau and Office Directors. Heads of bureaus and offices are responsible for establishing a viable and responsible property management program as outlined in DM 410 114-60.103 (d), consistent with existing statutory requirements and regulations, which maintains accountability for Government property acquired by or held by a bureau or office, or property which is held by contractors and grantees of a bureau or office for which title is vested in the Government.
- D. Property Management Team leader. When reviews are conducted by PAM, the team leader will be appointed by the Chief, Property Management Division.

The responsibilities of a PMR team leader begin after notification of selection and end with the close-out of the PMR file following implementation of corrective actions. The general responsibilities of the team leader include: 1.) arranging for the selection of team members; 2.) notifying the field activity of the intended PMR and requesting pre-review information; 3.) providing for pre-PMR orientation and briefing of team members; 4.) preparing the detailed PMR plan and making assignments to team members; 5.) conducting the on-site PMR with appropriate arrangements for entrance and exit conferences with office management; 6.) preparing and issuing draft and final reports of the team's findings and recommendations; and 7.) monitoring the implementation of corrective actions.

- E. PMR Team Members. The responsibility of PMR team members begins with assignment to a specific PMR and ends at the time their review and reporting requirements are completed. (The PMR team leader may also consult with team members from time to time following the review, for clarifications, etc., as

appropriate.) As a member of a PMR team, each individual is required, and expected, to provide full-time support in carrying out assigned responsibilities. The PMR will require a minimum of 1 to a maximum of 10 work days, depending on the type of activity, and the complexities and volume of actions reviewed.

## II. Property Management Scheduling and Review Procedures

1. Bureau and office development of annual PMR schedules is a mandatory part of the Departmentwide Alternative Management Control Review (AMCR) process. Bureau and office director or designee shall ensure that annual PMR schedules are developed and approved by December 31 of each year. The schedules shall contain dates and locations of the reviews and shall identify the office conducting the PMR. Copies of the schedules shall be forwarded to bureau Management Control Coordinators, and PAM within 15 days of approval by the bureau/office director or designee.

PMRs should be scheduled in a manner that will cause minimum disruption to the offices being reviewed. Schedules should take into account fourth quarter workload, holiday and vacation periods, seasonal workloads, and overlap with other survey or audit activities. Reviews may last up to 10 work days.

2. The bureau headquarters should be notified of the intent to conduct a PMR at a specific site at least six weeks in advance of the PMR.

3. Any previous audits, reviews or reports should be reviewed prior to conduct of the PMR. Any special topics not identified in the PMRG should be identified to the bureau prior to the PMR.

4. An entrance interview should be conducted with the head of the site to be reviewed. The entire PMR review team should attend this meeting. The purpose of the review should be explained, and senior property management personnel should be present.

5. A general orientation should be provided to the PMR review team by the site manager, including an outline of the organization, staffing, functions, and resources. Any available workload information will be helpful and should be provided to the PMR review team. Generally, the site manager will assign a management support contact who will provide the PMR review team with a conference room or other office to use as a base of operations.

6. At the conclusion of the Property Management Review, the Review Team will schedule an exit interview with the site manager, and, if possible, the same individuals who attended the entrance briefing. At that time the findings will be discussed, including any weaknesses or deficiencies identified. The exit briefing provides the opportunity to compliment office personnel on procedures which are commendable, and express concern about areas in need of

improvement. It is also a chance for site management to acknowledge the deficiencies and indicate planned corrective actions. Team members can offer their assistance and advice to enhance property management operations at the activity. The site manager will be advised that a copy of the final Property Management Review Report will be provided when issued.

7. The final report will be written by the team leader based on the PMR team's observations with formal recommendations based upon input provided by team members. The PMR report must cover all applicable elements of the property management system, stressing both strengths and weaknesses. A PMR is not intended to detail only observed weaknesses; it is intended to provide a complete profile of the property management system.

Control evaluation results for each component must be summarized in a report. The report should describe control weaknesses and describe plans for corrective action. Page 25 is the format that must be used for reporting significant management control weaknesses and planned corrective actions. Each control weakness requiring corrective action must be listed and sequentially numbered on the report. The report must be approved by the bureau/office head and appropriate Assistant Secretary and submitted to the Office of Financial Management with a copy to the Office of Inspector General and the Director, Acquisition and Property Management.

### III. Property Management Objectives and Control Techniques

This section provides a listing of property management control objectives and techniques to assist a PMR team in their analysis and evaluation of personal property management in the Department of the Interior bureaus and offices. Control objectives describe desired performance goals, while the control techniques detail the individual steps, which if met, reasonably assure that the control objectives are being properly and systematically met.

In order to have a formal property management system as prescribed by 410 DM 114-60 it is imperative that policies and procedures and responsibilities governing personal property are consistent with existing statutory requirements and regulations, which maintains accountability for Government property acquired by or held by a bureau or office, or property which is held by contractors and grantees of a bureau or office for which title is vested in the Government.

The provisions of this section apply to all personal property acquired by all bureaus and offices of the Department of the Interior, and will ensure the safeguarding of Government property against waste, fraud and abuse.

PROPERTY MANAGEMENT REVIEW SITE INFORMATION

Bureau:

Review of:

Location:

Point of Contact at Bureau:

Telephone:

Point of contact at review location:

Telephone:

Begin and End Dates of Review:

Review Conducted by:

(List names of review team members and organization)



Activity 1. Title Designation and Policy Guidance

Control Objective: Personal property accountability has been established in accordance with 114-60.103, Property Management Responsibility.

Control Techniques:

1. Accountable Officers have been designated in writing.
2. Custodial Officers have been designated in writing.
3. Employees have been notified of their responsibility for proper care, use, maintenance and safeguarding of property in their custody.

a. Is there a current local/bureau directive on this subject?

b. Is it furnished to all new and seasonal employees?

4. Have employees been notified in writing of the provisions of 410 DM 114-60.8 which provides for Boards of Survey which may hold employees financially liable for loss, damage or destruction of personal property?

5. Are personnel engaged in property management and accountability functions familiar with the Interior Property Management Regulations (IPMR) and Federal Property Management Regulations (FPMR)?

a. Have copies of the IPMR and (FPMR) been furnished to property managers?

6. If PMR is being conducted at regional level, does Regional Office have an established program of reviews at the field level.

7. Does the Regional Office provide guidance and disseminate program information to field sites?

8. If yes, is there a formal method of information dissemination?

Comments:

## Activity 2. Property Accountability Records.

Control Objective: Bureau/office accountability records reflect transactions affecting the bureaus investment in personal property.

### Control Techniques:

1. Obtain inventory listing of property on hand at site being reviewed.
2. Accountable property records are in agreement with the property on hand (spot check 5% - if less, explain)
3. Acquisition documents are routed through property office for verification of object class.
4. Accountable records indicate the Accountable Officer and Custodial Officer?
5. How are entries made to accountable property records (on-line by field, on-line by regional office, transmit to central bureau location for entry, other?)

Comments:

### Activity 3. Capitalization of Property and Reconciliation.

Control Objective: A system for accounting for capitalized property is established in accordance with the requirements of DM 114-60.202. For capitalized property, it is necessary to maintain both a general ledger account and a property accountability record. The total valuation of property reflected in each of these records are reconciled at least monthly and upon completion of annual physical inventories.

#### Control Techniques:

1. At what dollar level is property capitalized for your bureau/office?
2. Provide information or supporting evidence which verifies that acceptable accountability records are being maintained for all property below the proposed capitalization limit.
3. Capitalized property records are reconciled with general ledger.
4. Who performs the reconciliation function?
5. Frequency of reconciliation?

Comments:

#### Activity 4. Property Identification.

Control Objective: All Government property is marked to identify it as Government-owned with the name or initials of the owning bureau or office, preceded by the initials "U.S."

Refer to 114-60.100(p) and 114 60.601 of 410 DM IPMR.

Control Techniques:

1. All accountable property has been identified with a property number.
2. Other property has been marked as U.S. property.
3. Are there any exceptions due to the nature of the item?  
If yes, explain.

Comments:

## Activity 5. Security of Sensitive Property.

Control Objective: Sensitive property is controlled by detailed property accountability records and determined to be sensitive by its high probability of theft or misuse, or its susceptibility to pilferage, theft or misappropriation. Sensitive property shall, at a minimum, include firearms and proprietary programs or software. The bureau/office has developed categories of property which they determine to be sensitive and for which detailed property accountability records are maintained.

### Control Techniques:

1. Sensitive property is controlled by a detailed property accountability record.
2. Sensitive items such as calculators, cameras, binoculars, firearms, proprietary programs or software, etc., are stored in a secured area when not assigned.
3. Access is controlled and keys to security areas are properly maintained and accounted for.

### Firearms/Weapons/Ammunition.

1. Are hand receipts on file for all individual issues of firearms which indicate the name of the individual and the serial number and property number of the weapons? (sight verify)
2. Are procedures in effect to ensure that firearms are turned in prior to transfer or separation of employees?
3. What is the disposition of the original hand receipt after a weapon is turned in?
4. Are weapons marked for proper identification? (sight verify)
5. If weapons are confiscated, how are they controlled during custody? Is an accountable officer/custodial officer assigned for confiscated weapons?
6. How are confiscated weapons disposed of?
7. How often are weapons inventoried?
9. Are discrepancies in weapons inventory presented immediately to a Board of Survey for investigation?
10. If firearms are being used by other than the Custodial Officer, are hand receipts on file for individual issues indicating the name of the individual and the serial number and property number of the weapon?

11. Is ammunition stored in a locked security container?
12. Who is responsible for issuance of ammunition?
13. Amount of ammunition on hand?

Comments:

## Activity 6. Property Issuance and Physical Inventories.

Control Objective: Physical inventories are conducted in accordance with DM 410 114-60.3

### Control Techniques:

1. Receipts for Property (DI 105) are used when property is issued.
2. What happens to signed receipts when property is returned?
3. How frequently are inventories conducted?
4. Who conducts the inventories? (inventory team, property staff, accountable/custodial officers etc.)
5. What is the difference between items located and items listed? (percentage of difference)
6. Does your organization utilize bar coding for conducting the physical inventories?
7. Is property assigned to employees inventoried at time of employee transfer or separation? Documentation?

Comments:

Activity 7. Expendable and Non-expendable Property.

Control Objective: For expendable property, bureau/office has appropriate safeguards and controls established to guard against excessive losses and excessive purchases when compared to program requirements for any specific item or use of property for other an official purposes.

Control Objective: The bureau has appropriate records and control over non-expendable property, with the acquisition cost of less than \$50.

1. What controls have been established for non-expendable property? (i.e., small hand tools, low-dollar calculators, etc.)
2. Is property marked as U.S. Government Property?
3. What controls have been established to control the issuance of expendable property? (obtain written guidance if any)

Comments:



## Activity 8. Receipt of Property.

Control Objective: Policies and basic requirements for properly documenting the receipt of personal property services is followed as prescribed by 410 DM 114-60.60.5.

### Control Techniques:

1. Have Receiving Officers been established to control the issuance of expendable property? (Obtain copy of written guidance, if any.)
2. Are copies of acquisition documents provided to the Receiving Officer to establish "due-in" property?
3. Are partial and final receiving reports prepared?
4. To whom are these reports forwarded?
5. Does the Receiving Officer understand that he/she is accountable for the property until delivered to the user, and can be held financially responsible for missing/damaged/destroyed property?
6. Has this information been provided in writing?
7. Are shortages, defects, damages by carrier/vendor being verified and claims submitted as appropriate?

Comments:

## Activity 9. Motor Vehicles, Fuel and Oil

Control Objective: The bureau/office is in compliance with policies and procedures contained in the 412 Departmental Motor Vehicle Handbook which provides policies and procedures mandatory for all personnel engaged in the Motor Vehicle/Heavy Equipment Program.

### Control Techniques:

1. Are motor vehicles assigned to organization listed on the property records?
2. How many total vehicles do you have?
  - a. Number of Interior-owned vehicles?
  - b. Number of GSA vehicles?
  - c. Number of leased vehicles?
  - d. Other?
3. Are mandated MPG requirements considered during vehicle acquisition planning?
4. Are vehicles fully justified and approved prior to requisition?
5. Are Forms DI 120 (Vehicle Operator Records) maintained on motor vehicles and other motorized equipment? (Sight verify)
6. Are high-use vehicles rotated whenever possible?
7. Are vehicles "pooled" during the off season?
8. What maintenance facilities are available? Does bureau maintain vehicles or are they maintained under contract?
9. Is there a preventive maintenance program established?
10. If yes, is it being adhered to?

11. Are any motor vehicles domiciled? Is this usage justified and approved? Explain.

12. What is ratio of vehicles per employee?

13. Are vehicles not meeting the minimum mileage standards being declared excess?

Sedan and station wagon	-	6,000
Truck, 1 ton and under, 4x2	-	2,000
Truck, 1 ton and under, 4x4	-	3,000
Truck, 1 1/2 tone to 2 2 1/2 tons	-	3,000
Truck, all other	-	2,000

14. When GSA commercial contractors are not used, what method is used to obtain leased vehicles?

15. When Interior-owned vehicles are sold, are identifying bureau/agency and U.S. Government markings removed?

16. Are separate maintenance records kept for each vehicle?

17. Are actual and estimated repair costs being considered in justification for vehicle replacement, i.e., amount of repair costs and justification as to why continued operation of the vehicle would not be in best interests of the Government?

18. How are vehicles protected from unauthorized use, damage or pilferage?

19. What methods are used to obtain data for SF-82, Annual Report of Motor Vehicle Data?

20. Is motorized equipment which fails to meet minimum utilization standards considered for transfer or disposal without replacement?

21. Does the facility being reviewed store and issue fuel and oil?

22. Are accurate records maintained on fuel and oil issues and receipts?

23. Is security adequate?

24. Are proper controls in effect to prevent misuse of credit cards?

25. Are employees required to sign for credit cards?

26. Are issues and balances of petroleum products reconciled? Frequency? By whom?

27. Are there adequate controls over fuel issues, tank storage, incoming deliveries?

28. How many employees have access to fuel tanks?

a. Who pumps fuel?

b. Is this procedure monitored?

c. How?

29. If tanks are on a locked system, who has access to keys? Are keys changed periodically, or after any key loss?

30. Do fuel and oil records reconcile with assets on hand at time of review (sight verify)?

31. Review any shortages and corrective actions, taken, if any. Was a Board of Survey directed to review any discrepancies unable to be accounted for?

Comments:

Activity 10. Stores Operations (as applicable).

Control Objective: Bureau/office is in compliance with 410 DM 114-60.7.

Control Techniques:

1. Are accounting records and internal controls maintained for automotive parts, supplies and maintenance materials?
2. Are property receipts and issues recorded?
3. Is there a procedure to document all acquisitions, issues, returns and disposals?
4. Is a storage area set aside to store excess items that are of a sensitive nature to protect the items as required from exposure, weather, fire, theft, and heat?
5. Are flammable items stored separately, segregated from other items?
6. Are issues and receipts current?
7. Are annual physical inventories conducted? If not annual, frequency?
8. Do stores inventories reconcile with financial ledger?
9. Have re-order points been established and are they based on past issues?
10. Is there a procedure to purge inventory of obsolete items?
11. Is there an Economic Order Quantity program in place?
12. Are written designations in effect for personnel to whom supplies and materials are issued?
13. How are materials stored (pallet racks, shelving, bins, pallets)?
14. What is the general appearance of the storehouse and grounds (neat and orderly?) Is there an orderly arrangement of stocks by item to facilitate storage, issue, inventory and record keeping?

Comments:

Activity 11. Utilization and Disposal.

Control Objective: Utilization and Disposal of Personal Property is in accordance with policies and methods as prescribed by 41 CFR, Chapter 101, Subchapter H, Part 101-43.

Control Techniques:

1. Is excess property identified and reported on a timely basis on a SF-120 to GSA?
2. Are excess property listings being used as a first source of supply?
3. Are excess property listings routinely screened? By whom?
4. Does the site handle lost and found property?
  - a. If yes, who is responsible for the care and handling?
  - b. Are procedures in place for disposition?
5. When equipment reaches age/miles/hours requirements, is an analysis made of repair costs to determine economy of repair?
6. Are miles or hours recorded on equipment utilization records?
7. Are periodic follow-ups made on excess property reported to GSA to ensure disposal actions are complete?
8. Identify any specific problems related to GSA disposals. Is timely action taken by GSA to dispose of property?
9. Is unneeded property promptly identified and reported as available excess?
10. Is replaced property immediately reported as excess upon receipt of the new replacement item?

Comments:

Activity 12. Report of Survey Procedures.

Control Objective: Bureau/Office is in compliance with 410 DM - Subpart 114-60.8 - Report of Survey procedures.

Control Techniques:

1. Has a Board of Survey been appointed in writing?
2. Length of appointment?
3. Number of members on Board? Provide titles and organizational location of each member?
4. Are property management staffs available for technical guidance?
5. Are property management personnel excluded from Board of Survey appointment?
6. Has a copy of 410 DM 114-60 been provided to Board of Survey members for guidance?
7. What is the area of responsibility for the Board of Survey?
8. Has all lost or destroyed property been surveyed by the Board of Survey?
9. What is the length of time between discovery of loss/damage/destruction and the convening of the Board of Survey?
10. Have any employees been held financially liable?
  - a. How many?
  - b. Amount of liability?
11. Have any such findings resulted in appeal?
12. If applicable, has lost and found property been disposed of through survey procedures?
13. Are reviews of Reports of Survey being conducted?
  - a. By whom?
  - b. At what level?
14. Are Boards of Survey findings fully documented, justified and factual?

15. Is destruction of property witnessed as required and recorded on each Report of Survey?

16. Are employees promptly reporting incidents of loss, damage or destruction?

17. Have Accountable Officers been provided with copies of pertinent regulations (114-60 or implementing bureau directives) requiring reporting of loss/damage/destruction for Board of Survey action?

18. Does the site utilize the Certificate of Loss for property to be disposed of as a result of fair wear and tear?

Comments:



Activity 13. Artwork/Artifacts and Museum Items.

Control Objective: The bureau/office has established accountability and control over artwork/artifacts, and museum items.

Control Techniques:

1. Do accountable property records reflect the actual inventory?
2. Have Accountable Officers been designated in writing?
3. Have Custodial Officers been designated in writing?
4. Do accountable property records indicate the Accountable Office and Custodial Officer?
5. What is the average length of time between receipt of property and entry on accountable property records?
6. Are items stored in a secured area?
7. Is access controlled? Are keys to security areas properly maintained and accounted for?
8. Have all items been catalogued?
9. How frequently are physical inventories conducted?
10. Who conducts the inventories? (inventory team, property staff, accountable/custodial officers, etc.)
11. Date of last inventory?
12. What is the difference between items located and items listed? (percentage of difference)
13. Are items that would be sensitive to exposure to sunlight, absolute and variable temperature or humidity ranges, stored or displayed in areas in which such factors are controlled to standards required for the protection of the items?
14. Have Boards of Survey been convened for any items identified as missing?

Comments:

# CONTROL EVALUATION REPORT

Bureau/Office \_\_\_\_\_ Component \_\_\_\_\_

Reviewable Official \_\_\_\_\_ Date \_\_\_\_\_

ID.	IDENTIFIED CONTROL WEAKNESS	*TYPE S or C	NO.	PLANNED CORRECTIVE ACTION	DATE SCH./D

\* Indicate the type of weakness by checking the appropriate column.  
 S = A weakness in system design, i.e., necessary controls are lacking.  
 C = A weakness in complying with established controls.